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ABSTRACT

This brief report summarizes trends in student borrowing based on data from the 1992-93 and 1995-96 National Postsecondary Student Aid Studies. Major findings include: (1) between 1992-98 and 1994-96, the percentage of undergraduate students attending four-year institutions who borrowed from federal loan programs during the academic year increased by about 11 percent at public institutions and by 10 percent at private, not-for-profit institutions; (2) the average annual amount borrowed in each year also increased from $3,000 to $4,100 at public four-year institutions and from $3,600 to $4,500 at private, not-for-profit four-year institutions; (3) the percentage of dependent undergraduates with family incomes of $50,000 or more who had ever borrowed from federal loan programs increased between 1992-93 and 1995-96 at both public and private not-for-profit institutions; (4) in both years, differences in attendance costs between public and private institutions were reflected in the higher amounts borrowed by undergraduates attending private institutions. A table and a graph show the percentage of undergraduates who borrowed, and the average amount and average cumulative amount borrowed by type of institution and class level for the 2 years, and the percentage of dependent undergraduates who ever borrowed from federal loan programs, by family income, for public and private institutions. (DB)

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INDICATOR MONTH

NATIONAL CENTER FOR EDUCATION STATISTICS

Trends in student borrowing

July 1999

ED 432 189

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The proportion of student financial aid that consists of loans has increased over time. Federal loan programs are the major source of student financial aid. While loans allow some students to attend a postsecondary institution who otherwise could not, many are concerned that some students are increasingly burdened with high debts after graduation. The cumulative amount of loans incurred while students progress through their undergraduate studies is one measure of burden.

- The percentage of undergraduate students attending 4-year institutions who borrowed from federal loan programs during the academic year increased by about 11 percentage points at public 4-year and by 10 percentage points at private, not-for-profit 4-year institutions between 1992–93 and 1995–96. The average amount borrowed in each year also increased, from $3,000 to $4,100 at public 4-year institutions, and from $3,600 to $4,500 at private, not-for-profit 4-year institutions.

- The percentage of dependent undergraduates with family incomes of $50,000 or more who ever borrowed from federal loan programs increased between 1992–93 and 1995–96 at both public and private, not-for-profit 4-year institutions. For example, in 1992–93, 21 percent of dependent undergraduates at public 4-year institutions from families making between $50,000 and $59,999 had ever borrowed. By 1995–96, 44 percent of undergraduates from families in that income range had borrowed.

- In both years, differences in attendance costs between public and private, not-for-profit 4-year institutions were reflected in the higher amounts borrowed by undergraduates attending private, not-for-profit institutions. At each class level, undergraduate students at private institutions borrowed more than those at public institutions.

Percentage of undergraduates who borrowed, and the average amount and average cumulative amount borrowed from federal loan programs, by control and type of institution and class level: Academic years 1992–93 and 1995–96

	1992–93				1995–96			
	Current Year			Average	Current Year			Average
Control and type of institution and class level[1]	Percent who borrowed	Average amount borrowed	Percent who ever borrowed	cumulative amount borrowed	Percent who borrowed	Average amount borrowed	Percent who ever borrowed	cumulative amount borrowed
Total	**19.2**	**$3,186**	**30.6**	**$5,439**	**25.3**	**$4,041**	**37.7**	**$7,047**
Public 4-year	24.5	3,007	36.0	5,915	35.4	4,130	47.2	7,904
Freshman	22.4	2,472	30.2	3,281	35.0	2,777	41.1	3,547
Sophomore	24.3	2,676	34.4	4,493	32.9	3,538	44.0	5,674
Junior	26.6	3,196	37.3	6,093	37.9	4,569	49.5	8,244
Senior[2]	25.7	3,385	40.9	7,793	36.8	4,970	52.1	11,038
Private, not-for-profit 4-year	34.6	3,591	44.9	6,984	44.3	4,499	53.7	8,682
Freshman	33.9	3,041	41.5	3,566	43.5	3,237	49.5	4,017
Sophomore	33.8	3,083	42.1	5,611	45.8	3,970	52.6	6,945
Junior	37.6	3,915	47.5	7,722	48.5	5,287	58.0	9,880
Senior[2]	35.4	4,193	48.7	10,023	42.9	5,564	56.4	13,159
Public 2-year	6.0	2,542	18.2	3,987	6.0	2,840	20.5	4,605
First year	5.2	2,346	16.3	3,510	5.1	2,546	17.8	4,188
Second year	6.9	2,768	19.9	3,943	8.6	3,175	26.2	4,987

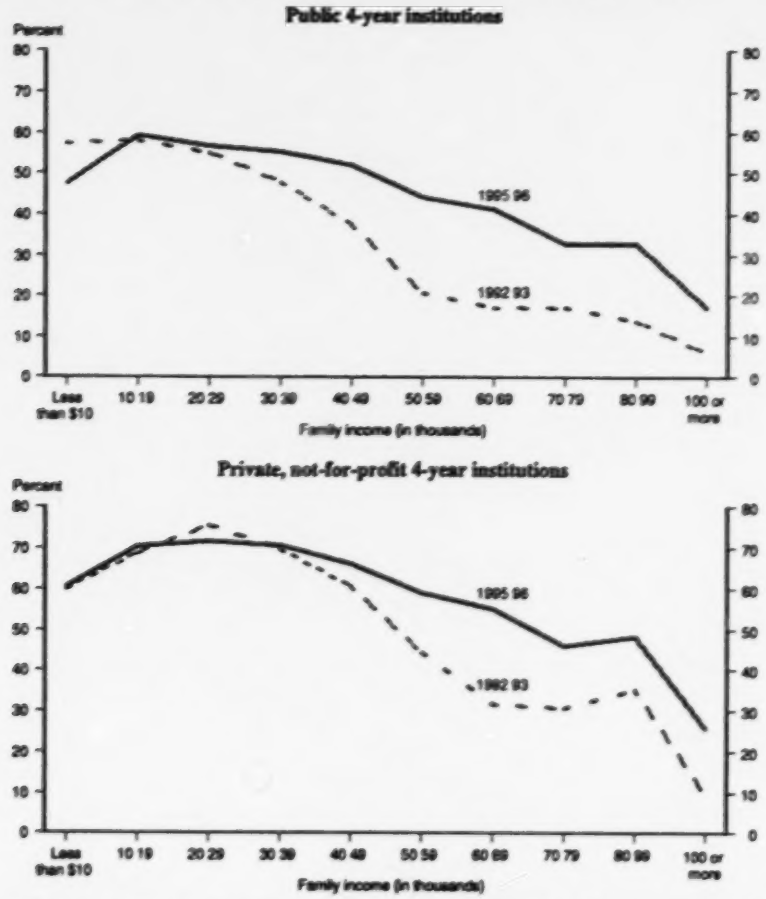
[1] Class level is based on credit accumulation.

[2] Includes 4th- and 5th-year seniors.

NOTE: Students attending more than one institution are excluded. Percentages and amounts for federal loan programs exclude Parent Loans to Undergraduate Students (PLUS).

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1992–93 National Postsecondary Student Aid Study (NPSAS:93), and 1995–96 National Postsecondary Student Aid Study (NPSAS:96).

Percentage of dependent undergraduates who ever borrowed from federal loan programs, by family income: Academic years 1992–93 and 1995–96



NOTE: Percentages and amounts for federal loan programs exclude Parent Loans to Undergraduate Students (PLUS).

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1992–93 National Postsecondary Student Aid Study (NPSAS:93), and 1995–96 National Postsecondary Student Aid Study (NPSAS:96).

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